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Kennecott Utah Copper Corporation
12000 West 2100 South
P.O. Box 6001
Magna, Utah 84044-6001
Tel: (801) 569-7120 (Barney's)
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Paula H. Doughty
Manager, Environmental Affairs and
Strategic Resources

M/035/002
3/6/03
Hansen
Kennecott

January 31, 2003

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Subject: Annual Reports for 2002, Kennecott Utah Copper Corporation

Dear Mr. Hedberg:

Enclosed are the completed annual report forms for the following DOGM permits:

M/035/002	Bingham Pit and UCD Modernization,
M/035/011	4th Line/Copperton Concentrator,
M/035/015	North Impoundment,
M/045/004	Pine Canyon Reclamation Project.

As in last year's reports, all disturbed and reclaimed acreage on the existing tailings impoundment is reported under permit number M/035/002.

In addition to the reclamation activities documented in the attached reports, the following work was conducted by KUCC in the Oquirrh Mountains outside of the DOGM jurisdictional boundaries:

Garfield Waste Water Treatment Plant: Plant demolition complete and 2 acres, contoured and seeded.

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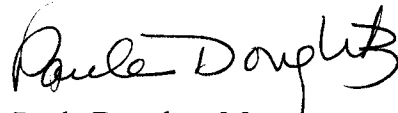
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In 2002 KUCC spent more than \$3,162,000 dollars on reclamation activities within the boundaries of permit #M/035/002. These costs included purchases of seed, fertilizer, surface preparation, seedlings, and planting. They also included maintaining a sprinkler irrigation system for the Magna Tailing impoundment. After correcting for inflation, this equates to more than \$ 1,860,000 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact Jim Kandolin at 569-6208.

Sincerely,

A handwritten signature in black ink, appearing to read "Paula Doughty", with a stylized flourish at the end.

Paula Doughty, Manager
Environmental Affairs and
Strategic Resources

Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
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ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From: **1/2002** To: **12/2002**
2. DOGM File Number (Mine No.): **M/035/002**
3. Mine Name: **Bingham Pit & UCD Modernization**
4. Mineral(s) Mined (or permitted to mine): ***Copper and associated metals.***
5. Type of mine: **X** Surface Mine or Underground Mine
6. Legal Description, (Location of Lands Affected):

Sections 7, 8, 9, 10, 11, 17, 18, 19, 20, 21, 30, & 32T1S, R2W;
Sections 9, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26 & 36....T1S, R3W;
Sections 4, 5, 9, 10, 11, 14, 15, 22, 23, 27 & 33.....T2S, R2W;
Sections 7, 17, 18 & 19.....T3S, R1W;
Sections 4, 8, 9, 13, 14, 15, 16, 17, 19, 20, 21, 24, 25,
28, 29, 30, 31, & 32.....T3S, R2W;
Sections 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27,
33, 34, 35 & 36.....T3S, R3W;
Sections 6 & 7.....T4S, R2W;
Sections 1, 2, 3, 11 & 12.....T4S, R3W;

Salt Lake Base and Meridian, Salt Lake County, Utah

7. Name of Operator or Company: *Kennecott Utah Copper Corporation*
8. Permanent Street Address: *P. O. Box 6001*
8315 West 3595 South
City, State, Zip: *Magna, UT 84044*
Phone: *(801) 569-7596/7120*
Fax: *(801) 569-6408*
9. Company Representative (or designated operator):
Name: *Paula Doughty*
Title: *Manager, Environmental Affairs and Strategic Resources*
Business Address: *P. O. Box 6001*
City, State, Zip: *Magna, UT 84044*
Phone: *(801) 569-7596/7120*
Fax: *(801) 569-6408*

X Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes X No
2. If no - what was the last year of activity? *N/A*
3. If yes - how much ore or mineral was mined?

48.9 million short tons of ore were mined with 0.2 million ton being stockpiled at the Mine.

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

A total of 122.3 million short tons of waste rock were produced at the mine in 2002. Most of the waste rock was placed into the existing Bingham Canyon waste rock disposal area. Tailings continued to be placed into the active portion of the existing tailings impoundment. Nine new acres were disturbed in association with extension of the Dry Fork (BC-1 and BC-Blue) dumps.

5. How much additional acreage was disturbed during the year?

A total of 9 new acres were disturbed by waste rock disposal at the mine.

6. How much acreage was reclaimed during the past year?

A total of 49 acres were recontoured and planted and 38 acres recontoured and ripped at the Bingham Canyon Mine. There was 420 acre reclaimed at the Magna Tailings impoundment in 2002.

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

The following reclamation activities were completed in 2001:

Upper Midas Dump

45 acres were recontoured and ripped. This includes 6 acres on a 150-ft high angle of repose slope that were reduced to slopes of 2.5:1 or less. Crushed limestone was applied at rates of between 0 and 7 tons/acre, and fertilizer and seed was applied to the entire area during the fall. About 525 tree seedlings were also planted on north facing slopes during the spring.

Mine Access Road

Three small remnant hillsides totaling 4 acres were cleared of inactive power poles and debris, and had inactive roads ripped. Limestone was applied at 4/tons acre and seed and fertilizer were applied with a hydroseeder. About 300 tree seedlings were planted on north and east facing slopes. All reclamation work was performed in the fall.

Mine Access Road

Three separate areas totaling 38 acres along the mine access road were recontoured, had angle of repose slopes reduced to 2.5:1 or less and were ripped. All recontouring was performed in the spring. These sites are underlain by very acidic, high salinity soil with abundant pyrite and cannot currently be directly planted, so no revegetation is planned for these surfaces.

Magna Tailings

There were 1000 acres reclaimed on Magna Tailings during 2002. The area was drill seeded with "Reclamation Mix # 3". First time revegetation included 65,149 lb of Rye, 40,009 lbs of Reclamation Mix and 255,477 lbs of fertilizer on 1000 acres of Magna tailings.

8. What is the total disturbed acreage of entire project at years end?

There were an estimated 11,273 disturbed acres at the end of 2002. This is based upon 12,351 disturbed acres reported as of end 2001, 9 acres of new disturbance and 1087 acres of reclamation in 2002.

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Mining during 2003 will disturb an estimated 40 new acres due to filling and extending Bingham Canyon dump beyond the Dry Fork Shops. Note that most of this dump extension is over acres disturbed by previous mining activities. The Dry Fork shops and related facilities will undergo demolition prior to dumping over them.

The 2003 Reclamation Activities Plan is being prepared and will be submitted to the Division by February 28, 2003.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

No new maps of the mine area are attached because there have been no significant changes since the previous maps were submitted in 1998. A map of the Magna Tailings Impoundment is included which shows 2002 reclamation.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be submitted.

The 2003 Reclamation Activities Plan will be submitted to the Division by February 28, 2003.

IV. Signature Requirement

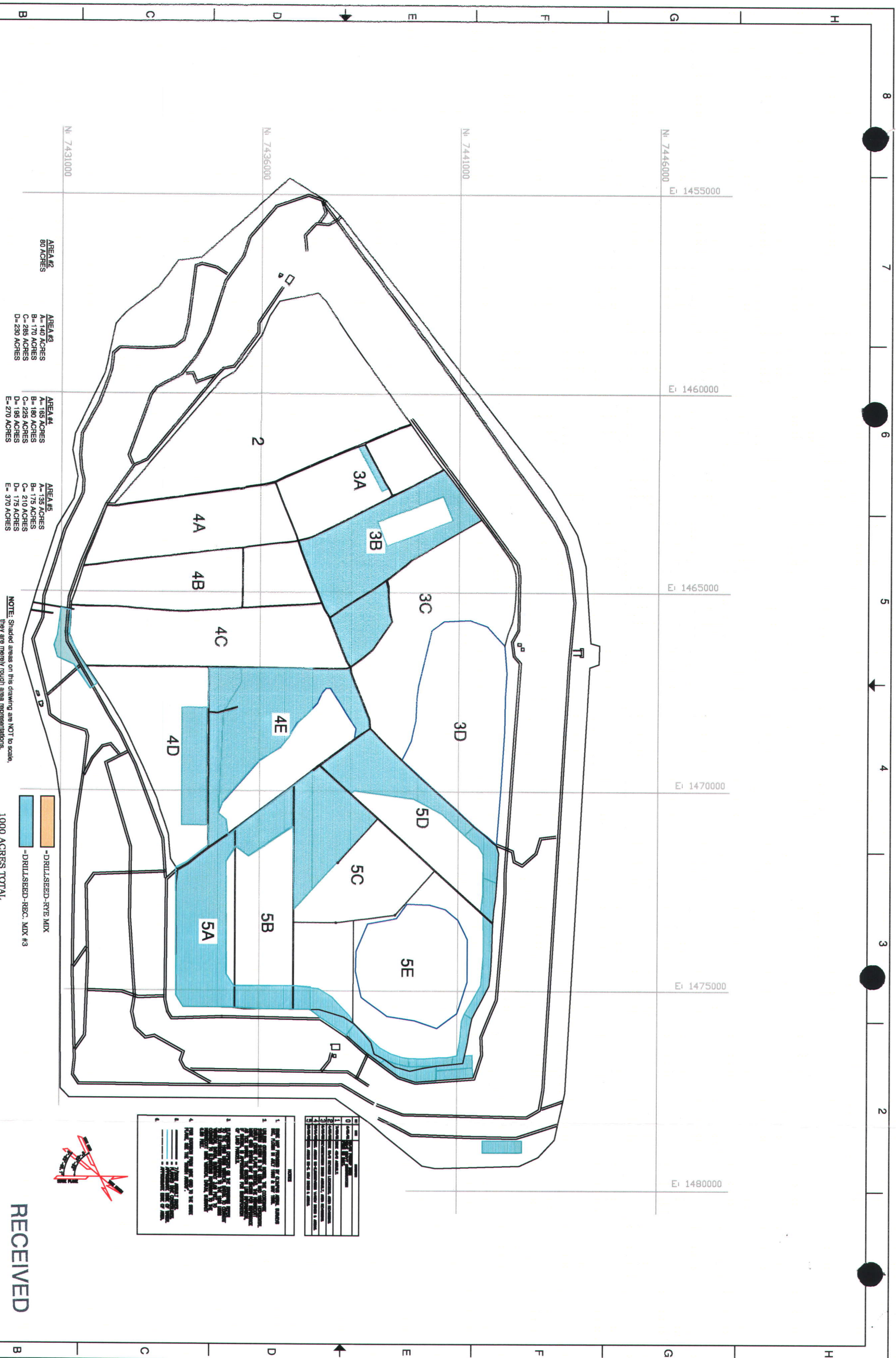
I hereby certify that the foregoing is true and correct.

Name: *Paula Doughty*

Title of Operator: *Manager, Environmental Affairs and
Strategic Resources*

Signature of Operator: *Paula Doughty*

Date: 1/30/03



DIV. OF OIL, GAS & MINING

JAN 31 2003

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**Kennecott North Tailings
Survey Department**

2002 YEAR END
REPORTED SEED

NORTH		REPORTED SEED	
2002 Seed Dwg	SEED FROM NO.	OWN NO.	
January 07, 2002		NTO-52-019	
SOLD 1:800		DRAWN BY: M. Apple	
		REAR	